(b) Two Computer Systems RS/6000, with intelligent terminals, have been installed in the new Computer Centre. Bombay.

(c) and (d) The objectives of new computer system arc to improve the efficiency and effectiveness of tax administration, broaden tax base and ensure better enforcement of tax laws as well as to provide management with reliable data. The estimated cost of setting the regional computer centre at Bombay would be about Rs. 13 crores out of total project cost for three regional centres at Delhi, Bombay and Madras estimated at Rs. 36 crores.

(e) and (f) Comprehensive computerisation has been introduced in other regional centres at Delhi and Madras as well. The regional computer centres have been designed to be linked with each other and to a National Computer Centre.

Lending rates of IFCI

2243. SHRI HIPHEI: Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Finance Corporation of India has hiked its lending rates;

(b) if so, the details thereof with objectives:

(c) whether such increase will effect the growth of industrieal activity in the country;

(d) if so. the details thereof with remedial steps to be taken in this regard; and

(e) if not, the steps to be taken to increase the industrial growth of the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) the Industrial Finance Corporation of India Limited (IFCI) has reported that it has hiked its prime lending rate by one percentage point from 13.5% to 14.5% (exclusive of interest tax) with effect from 20.02.1995. The change is/in line with the rise in the cost of deposits and lending rates of commercial banks and other all India financial institutions.

(c) No, Sir.

(d) and (e) Do not arise.

Entry of Foreign Insurance Companies

2244. SHRI CHIMANBHAI MEHTA:
SHRI ANANTRAY DEVSHANKER DAVE:

Will the Minister of FINANCE be pleased to state:

(a) what is the advantage of entry of Foreign Insurance Companies in Indian Insurance Sector;

(b) why insurance employees and trade unions are opposed to entry of foreign insurance companies in India;

(c) what is the capital base of Indian Insurance Companies and their annual turnover and net profits;

(d) what is the profits of Indian Insurance Companies on their capital base turnover:

(e) whether large inflow of foreign capital would occur in industry and economy in general due to entry of foreign insurance companies: and

(f) why foreign insurance companies be permitted in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MUTHY): (a), (e) and (0 the Government has not yet taken a final view on the recommendations of the Malhotra Committee, including proposals for opening up insurance for foreign private participation and detailed modalities for the same.

(b) The General Insurance Corporation of Indis (GIC) have reported that they had gathered from the representations received by them that the employees feel that the existing set up of general insurance industry is adequate to meet the insurance needs of the country; and apprehend that their service conditions and job security might be adversely affected by the advent of foreign insurance companies into India.

(c) and (d) The requisite information is in the enclosed statement.

Statement

GENERAL INSURANCE CORPORATION OF INDIA AND ITS FOUR SUBSIDIARIES:

i) Paid up capital (as on 31.3.1994) Rs. 375 Crores
ii) Turnover (Net Premium Income) Rs. 4427.45 Crores
iii) Net Profit (After Tax) Rs. 670.32 Crores
iv) Net profit on Capital base Rs. 178.80%
v) Net profit on turnover Rs. 15.1*55-

LIFE INSURANCE CORPORATION OF INDIA:

i) Capital (Initial Paid) Rs. 5 Crore
ii) Turnover in terms of total premium collected for the year 1993-94 Rs. 9735.32 Crores
iii) Government share of surplus for the year 1993-94 Rs. 140.14 Crores

Import of Consumer Goods

2245. SHRI CHIMANBHAI MEHTA: SHRIMATI RENUKA CHOWDHURY: Will the Minister of FINANCE be pleased to stare:

(a) whether it is a fact that Government have decided to liberalise import of consumer goods: if so, the details thereof;

(b) whether this would hit local consumer industries;

(c) whether this step would enhance out-go of foreign exchange; if so, the what extent;

(d) whether liberal imports of consumer goods would bring down prices;

(e),what are the consumer goods likely to be imported;

(0 whether the local industies are incapable to meet fully the requirments of consumer goods; and

(g) if so, the reasons for not talcing measures to boost production of local consumer goods?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDASHEKHAR MURTHY): (a) to (g) The export and import policy is formulated and reviewed continuously, keeping in view the country's priorities. Imports of commodities, including consumer goods, is presently permitted as per the provisions of Exports and Imports Policy announced -by Ministry of Commerce from time to time.

Computerised List of Policy Holders in LIC

2246. SHRI YERRA NARAYANA SWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether the LIC has a computerised list of all policy holders in every Division:

(b) whether the LIC sends caution letters to policy holders when their policy is in arrears; and

(c) if not. the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a)and (b) Yes. Sir.

(c) Does not arise.

Future Role of Financial Institutions

2247. SHRI YERRA NARAYANAS WAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering the future role of large financial institutions like IFCI:

(b) whether many private institutions have come forward to finance investment:

(c) if so, what would be the role of IFCI in the industrial scenario in the country: and

(d) the details of long term planning on role of IFCI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a), (c) and (d) The basic role of large financial institutions (FIs) like lFCI is to suport industrial development in the country by providing medium and long term credit to the industry, in order to enable FIs to play their role more effectively in the changing economic and industrial scenario, large FIs such as IFCI and Industrial Development Bank of India (IDBI) have been provided greater functional autonomy and operational